

INSTRUCTION NO.
LI 45-22

LI 45-22
LOGISTICS
15 December 1975

SUBJECT: Pricing Policy

1. PURPOSE

This instruction establishes a standard pricing policy with regard to unit prices for equipment and supplies carried in the Organizational supply system.

2. POLICY

- a. Standard unit prices on property acquired will be based on the amounts paid to acquire it and will include transportation and related costs as well as the established surcharge.
- b. Standard unit prices will be adjusted from time to time to reflect changes in acquisition costs. Such changes will be recorded when standard and acquisition costs are in variance of ten percent or more but not less frequently than once each year.
- c. Where incurred costs are not measurable, not known, or not significant, reasonable estimates or alternative bases may be used. Such base criteria may include, but is not limited to, appraised values, rehabilitation costs, transportation costs, packing and handling costs, and the established surcharge.
- d. Property obtained from another governmental agency on a reimbursable basis will be accounted for at the acquisition price to include transportation and related costs and the established surcharge.
- e. Property obtained from another governmental agency on a non-reimbursable basis will be accounted for at its estimated useful value as stipulated in 2c above.
- f. All standard prices established under the aegis of this instruction will include a five percent surcharge to cover inventory losses caused by shortages/damages incident to shipment, testing, and inspection deterioration and obsolescence.

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3. RESPONSIBILITY

The Chief, Supply Division, is responsible for the establishment and maintenance of standard unit prices for materiel processed within the Supply Division accountable inventory.



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Director of Logistics

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